

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

MASTER FILES

ROOM C-120

01

EBD/83/277

October 27, 1983

To: Members of the Executive Board
From: The Secretary
Subject: Denmark - Discount Rate

The Secretary has received the following memorandum dated October 26, 1983 from Mr. Lindø:

The following cable was received from Danmarks Nationalbank today:

Danmarks Nationalbank announces Wednesday, 26 October 1983:

As from Thursday, 27 October 1983 Danmarks Nationalbank reduces its official discount rate by 1/2 percent to 7 percent, the rediscount rate is likewise reduced by 1/2 percent to 7 percent. Similarly, the Bank's ordinary lending rate of 8 1/2 percent is reduced by 1/2 percent to 8 percent. The rate charged for loans within the Bank's borrowing limits is likewise reduced by 1/2 percent to 11 percent.

* * * *

The reduction of the discount rate can be seen in the light of the calm foreign exchange situation and the moderation of price increases. Together with the outline set for fiscal policy in 1984, these developments have provided scope for Danish bank lending rates to be brought further into line with present rates in neighboring countries.

Other Distribution:
Department Heads